



February 25, 2005

HOUSE BILL No. 1582

DIGEST OF HB 1582 (Updated February 23, 2005 10:44 am - DI 109)

Citations Affected: IC 20-5.

Synopsis: Foundations for schools. Allows school corporations to form educational foundations.

Effective: July 1, 2005.

Thompson, Klinker, Micon

January 18, 2005, read first time and referred to Committee on Education.
February 24, 2005, reported — Do Pass.

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HB 1582—LS 7693/DI 109+



February 25, 2005

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

HOUSE BILL No. 1582

A BILL FOR AN ACT to amend the Indiana Code concerning education.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 20-5-6-11 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
3 1, 2005]: **Sec. 11. (a) The governing body of a school corporation**
4 **may receive the proceeds of a grant, a gift, a donation, an**
5 **endowment, a bequest, a trust, an agreement to share tax revenue**
6 **received by a city or county under IC 4-33-12-6 or IC 4-33-13, or**
7 **other funds not generated from taxes levied by the school**
8 **corporation, to create an educational foundation under the**
9 **following conditions:**

10 (1) The foundation is:

11 (A) exempt from federal income taxation under Section
12 501(c)(3) of the Internal Revenue Code; and

13 (B) organized as an Indiana nonprofit corporation for the
14 purposes of providing educational funds for scholarships,
15 teacher education, and special programs for school
16 corporations.

17 (2) Except as provided in subdivision (3), the foundation

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retains all rights to the donation, including investment powers.

(3) The foundation agrees to do the following:

(A) Hold the donation as a permanent endowment.

(B) Distribute the income from the donation only to the school corporation as directed by resolution of the governing body of the school corporation.

(C) Return the donation to the general fund of the school corporation if the foundation:

(i) loses the foundation's status as an educational foundation exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code;

(ii) is liquidated; or

(iii) violates any condition of the endowment set by the governing body of the school corporation.

(b) A school corporation may use the proceeds received under this section from an educational foundation only for purposes of the school corporation.

(c) The governing body of a school corporation may appoint members to the foundation.

(d) The treasurer of the governing body of a school corporation may serve as treasurer of the foundation.

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COMMITTEE REPORT

Mr. Speaker: Your Committee on Education, to which was referred House Bill 1582, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill do pass.

BEHNING, Chair

Committee Vote: yeas 12, nays 0.

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